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SUBJECT: SOUTH AFRICA: SEMINAR ON THE FOREIGN POLICY OF HUGO CHAVEZ
AND THE FTAA

¶1. (U) Summary. The University of South Africa (Unisa) and the Embassy of Venezuela sponsored a July 28 presentation by Jos Briceo Ruiz of the Universidad de los Andes on the foreign policy of Hugo Chavez as it pertains to the Free Trade Area of the Americas (FTAA). The main points brought up in Ruiz's speech were: 1) Venezuela's perception that it was the target of a Washington-backed coup in 2002 plays a key role in its foreign policy, inducing a distrust of the U.S. beyond mere pragmatism; 2) Venezuela's three pillars of foreign policy are the promotion of a multipolar world, South-South cooperation, and collaboration within Latin America; 3) Venezuela has sought to ally itself with a variety of regional powers, including Russia, China, South Africa, India, and Brazil; 4) Venezuela's proposed alternative to the FTAA, the Bolivarian Alternative for the Americas (ALBA), is a political and social initiative with some economic elements that seeks to unify Latin America an alternative to the United States; and 5) the future of ALBA depends upon participation by MERCOSUR states, which is not immediately likely. End Summary.

Background

¶2. (U) Unisa's Centre for Latin American Studies hosted the presentation in Pretoria, drawing an audience of about 25 people from the South African government, diplomatic missions, and the university's faculty. The Charge d'Affaires of the Venezuelan Embassy opened the seminar with a brief speech thanking Unisa and Dr. Ruiz, who is a faculty member at the Universidad de los Andes, Mrida, Venezuela. The following is a summary of his presentation.

Three Pillars of Foreign Policy

¶3. (U) According to Ruiz, the Hugo Chavez administration bases its foreign policy upon three pillars: the promotion of a "multipolar world," South-South cooperation, and Bolivarian cooperation in South America. The three are closely related. Venezuela will align itself against the United States to create alternate poles of power, preferably establishing those poles in the underdeveloped world and ideally in Latin America. Especially after 2002, Venezuela has vocally opposed the dominant place of the United States in global politics. Whenever possible, Chavez seeks to build relationships with regional powers, particularly in the third world. Its "independent foreign policy" stresses the importance of restoring the sort of balance "present during the Cold War" by aligning with Russia, India, Brazil, South Africa, China, and others against perceived U.S. dominance and reviving organizations of third-world states to encourage developing states to look to each other for progress rather than to the West. Above all else, Chavez stresses

that Latin America shares a culture and economic interests -- a Bolivarian vision -- and should band together to face the United States and European from a position of strength.

1999-2001: General Criticism of the FTAA

14. (U) Ruiz identified three stages in Venezuela's move away from the FTAA during the Chavez administration: general criticism, forthright skepticism, and radical opposition.

15. (U) Ruiz noted that Venezuela entered into FTAA negotiations in 1994, under the rule of Rafael Caldera's center-left administration. Although the subsequent Chavez regime was at ideological odds with the United States' vision for the FTAA from its first days in office, Ruiz sees little continuity or clarity of purpose in that opposition from 1999 through 2001. Government documents reveal a great deal of interest in trade deals with various partners -- MERCOSUR, the Andean Community of Nations, and the European Union, among others -- but Venezuela continued to participate in the FTAA process, albeit with ever-increasing reluctance. This indecision can be attributed to the Chavez government's focus on domestic change within Venezuela. It was forging an entirely new political infrastructure while battling a determined opposition.

2002: Skepticism

16. (U) Domestic matters came to a head in April 2002, when a coup briefly toppled Chavez. This episode is a defining point in the Chavez presidency, marking a sharp deterioration in relations with the U.S. and a growing sense of persecution in Caracas. Regardless of the veracity of the Chavistas' claims that Washington encouraged

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the coup, Ruiz stated that there is a widespread belief in government circles that Washington is out to get Chavez. By 2002, Venezuela was an unenthusiastic participant in FTAA negotiations. While Chavez did not reject the FTAA outright -- he maintained that an agreement could be mutually beneficial depending on the treaty content -- his government began to search for an alternative Latin American trade federation. Chavez eventually proposed the Bolivarian Alternative for the Americas (ALBA) in place of the FTAA. ALBA was to be a strictly Latin American organization, resisting the hegemonic power of the United States and focusing on "cooperation" between states instead of the "competitive" focus of the FTAA, which Chavez perceived as inherently hazardous to the Americas' developing economies. However, ALBA had little substance at first. Ruiz relates that when the Cuban government asked Chavez for further details of the proposal in 2002, he had none to give.

2003-Present: Radical Opposition to the FTAA

17. (U) After 2003, ALBA gained substance, stressing "economic complementarity." Instead of a lower general tariff promoting head-on competition between economic sectors, an ALBA deal would see assistance or importation in a weak sector in exchange for providing a good or service that the trading partner needs. In December, 2004 Cuba and Venezuela signed an agreement within the ALBA framework, in which Cuba sent 20,000 medical personnel and teachers to Venezuela in exchange for 96,000 barrels-per-day of inexpensive oil. Bolivia joined ALBA in 2006.

According to Ruiz, ALBA is only partly an economic vehicle; it is also concerned with promoting certain political and social goals of the Chavez administration and, as such, is a concept often indistinguishable from Venezuelan foreign policy. The name is attached to a variety of projects designed to oppose United States hegemony, including energy cooperation projects with Caribbean states and Argentina and a proposed Latin American network to compete with CNN and American TV.

18. (U) Ruiz told his audience that effectively the future of ALBA

lies with the MERCOSUR states. Venezuela has long desired to be a full member of MERCOSUR, and any realistic alternative to the FTAA must include Argentina and Brazil, with Chile preferably included. MERCOSUR has rejected the FTAA on practical grounds, demanding an open agricultural market from the U.S. and greater freedom for regional development planning, but the organization is founded on neoliberal economic principles and is not a natural partner for the Chavez regime, despite the recent liberal revival in South America and the close relationship between Chavez and Brazilian President Lula. Although MERCOSUR flirts with ALBA, Ruiz acknowledges that none of its major powers are likely to reject the FTAA outright; they are far too committed to trade with the developed nations.

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